



Who's Hawaii's Best Customer?

What do travelers
think about Hawaii?

Presented to:
2004 Hawaii Tourism Conference
September 13, 2004



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Methodology

- Surveys mailed weekly in U.S. to representative households
 - U.S. West
 - U.S. East
- In Japan, households were pre-screened for past two years international leisure trips
- Qualified respondents have taken an overnight leisure trip of 500 miles (U.S.) in past 12 months or an international trip (Japan) in the past 24 months



Eastern US Market



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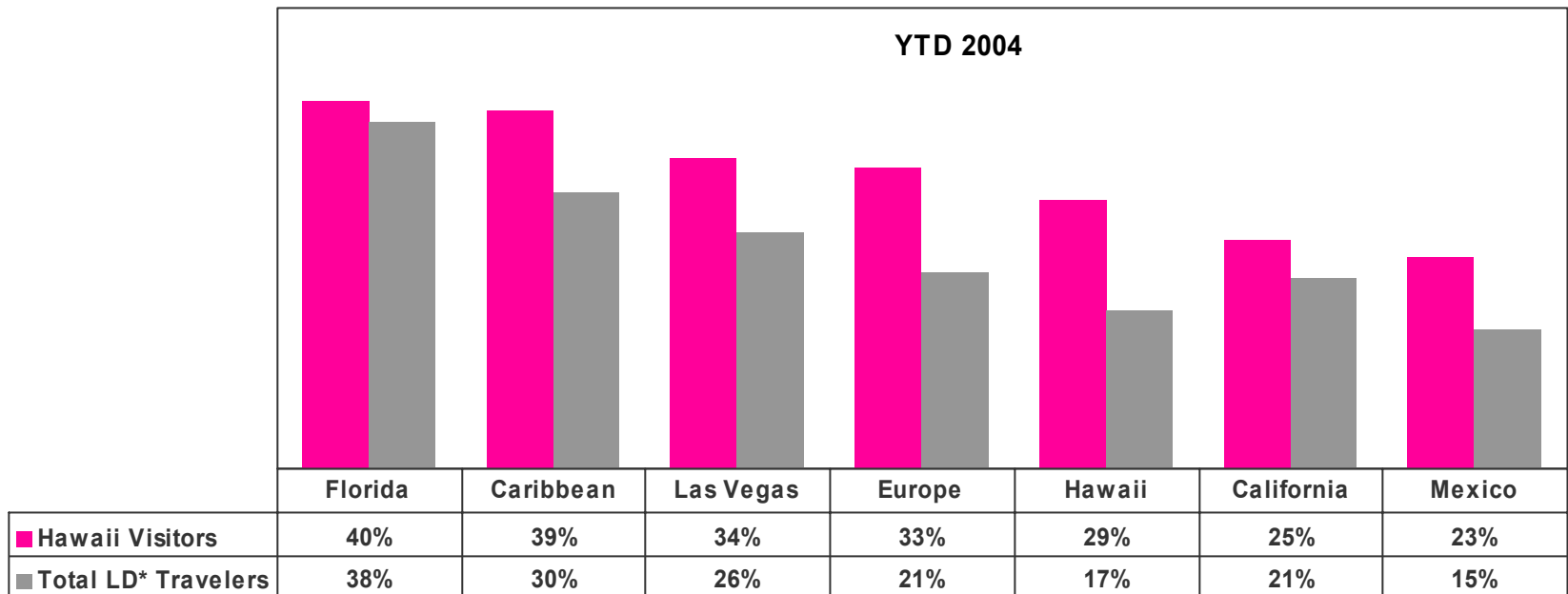
Eastern US Market: Hawaii Visitation

- Two in five Eastern US 500+ mile air travelers have (ever) visited Hawaii.
- Similar to a year ago, about one in eight has been there within the past three years.
- Within the past year, the proportion drops to roughly five percent.
- Generally, and as expected, the average number of visits increases with more recent visitation.

	Visited Hawaii	
	Q2: Apr-Jun 03	Q2: Apr-Jun 04
Total Eastern Market (Base)	451	444
% Ever Visited Hawaii	36%	41%
Average # of Trips to Hawaii	2.2	1.8
% Visited Hawaii Past 3 Years	11%	12%
Average # of Trips to Hawaii	3.5	2.2
% Visited Past Year	3%	4%
Average # of Trips to Hawaii	7.2	2.3

Eastern US Market: Considered Destinations

- The top destinations selected by Eastern travelers are similar for Hawaii visitors.
- Those who have visited Hawaii are more likely to choose foreign places that are farther away.



LD* = Long-distance: 500+ mile air travelers

Eastern US Market: Considered Destinations

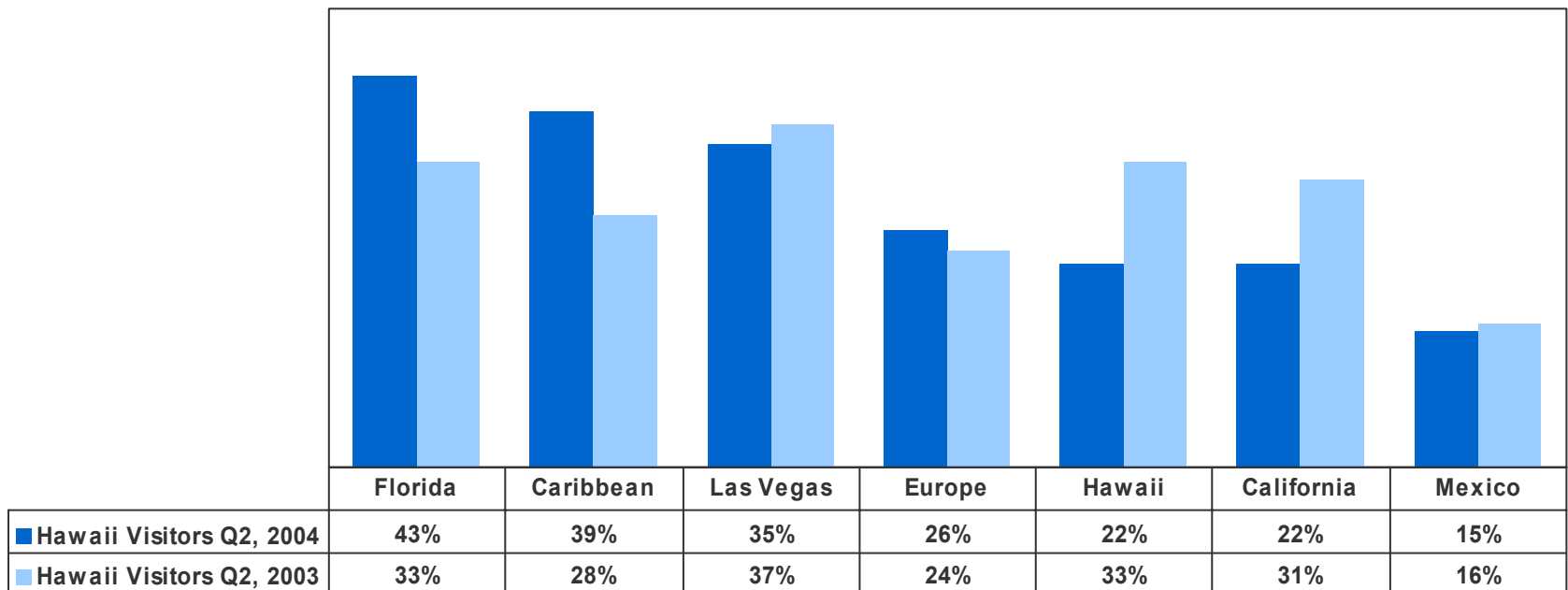
■ Compared to a year ago



Florida, Caribbean



Hawaii, California



Eastern US Market: Destinations Planned (Plan to Visit for Leisure Within 24 Months)

- Florida consistently ranks first and Hawaii ranks last among the competitive set.
- Compared to the same time a year ago



Florida



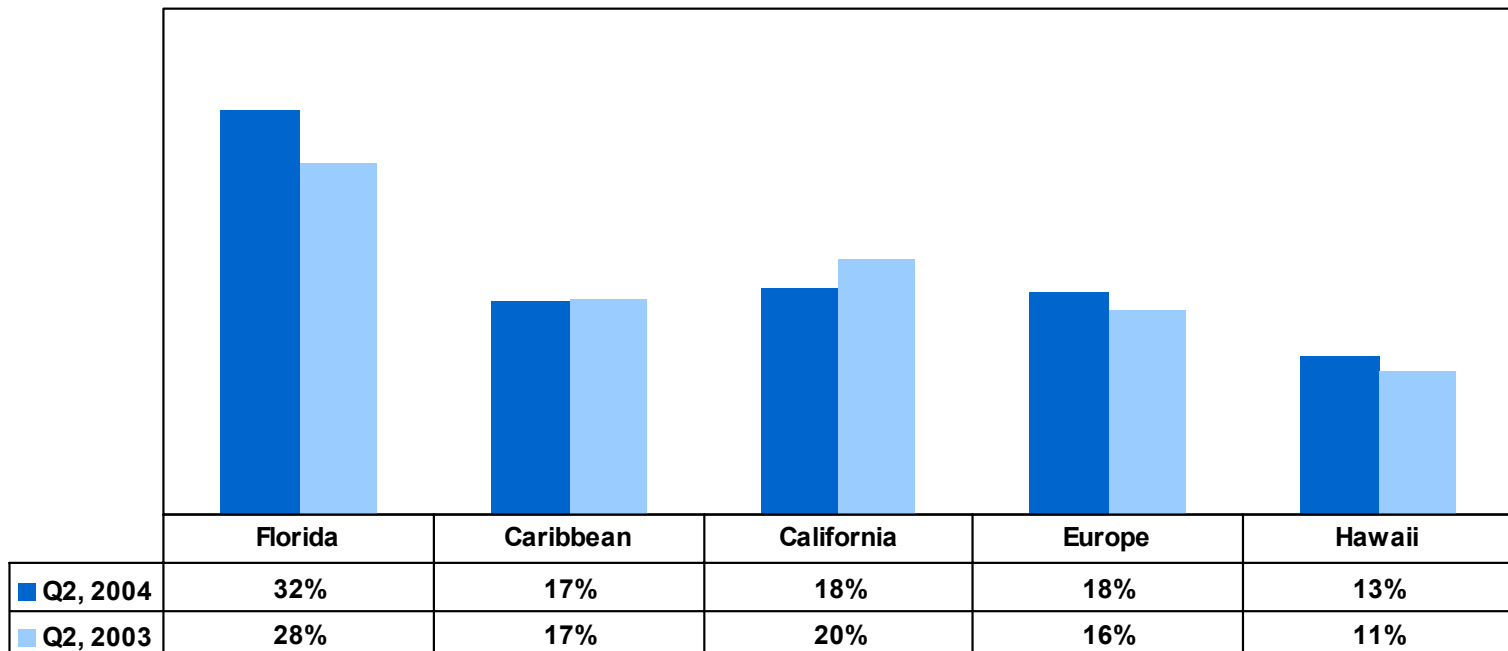
Europe



Hawaii

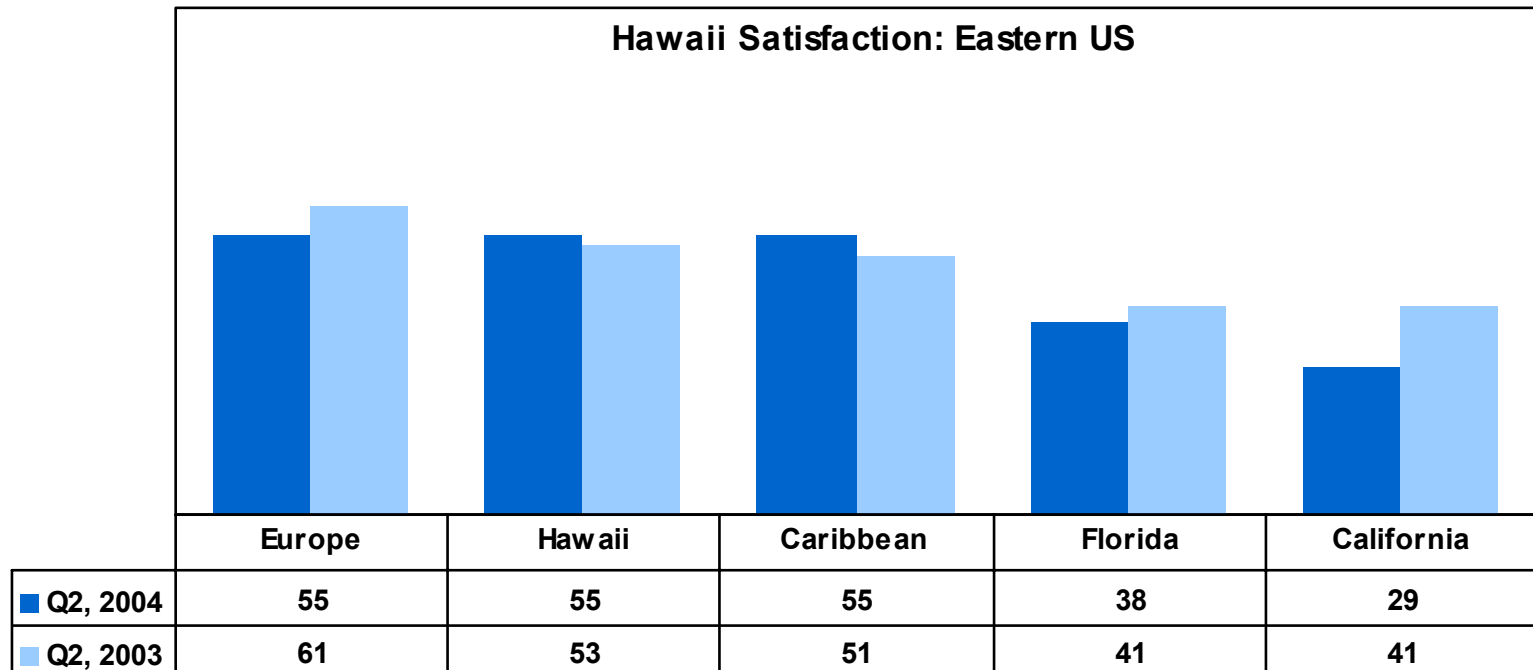


California



Eastern US Market: Satisfaction Index (Especially Like/Have Visited)

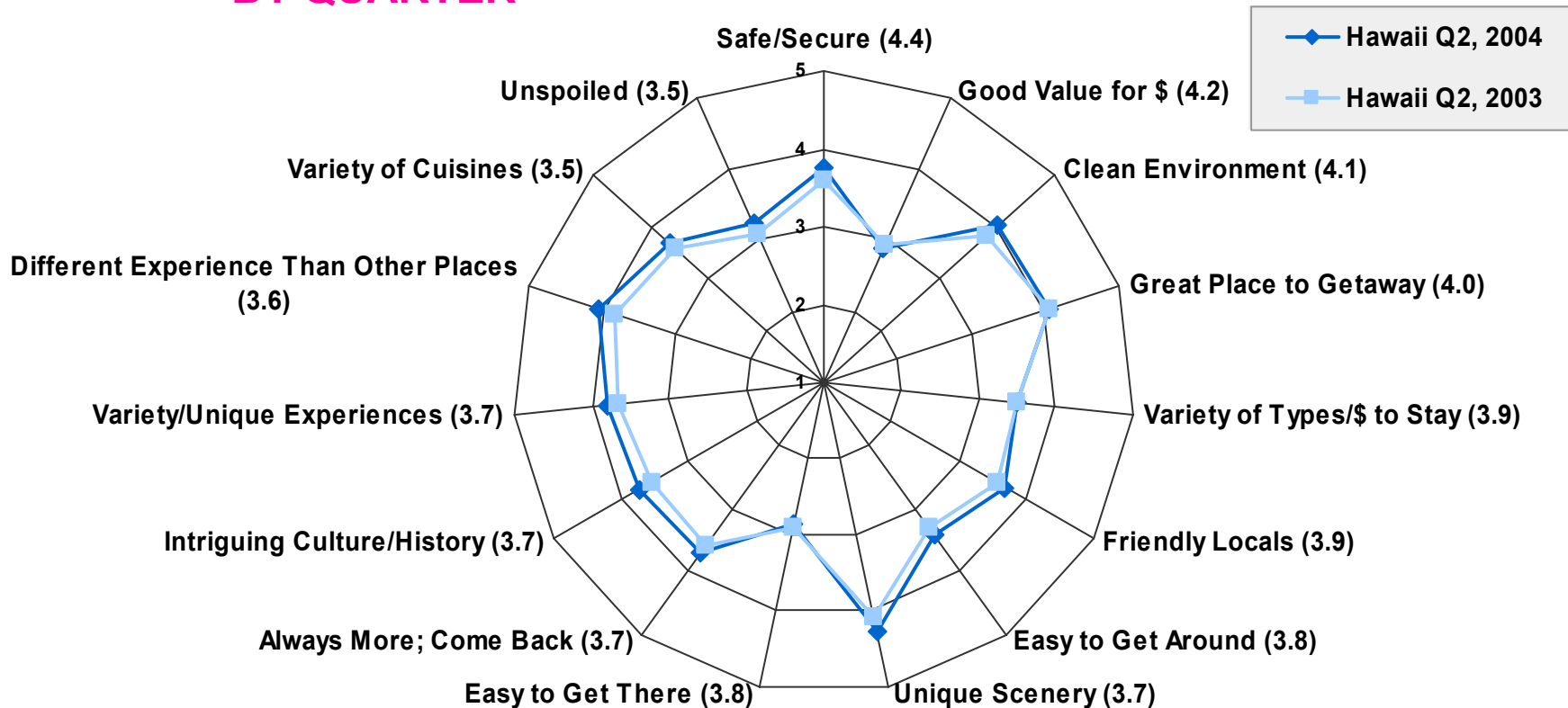
- Hawaii consistently receives high marks for satisfying its visitors.
- The trio of Hawaii, Europe, and the Caribbean swap the lead from quarter to quarter; each provides superior vacation experiences.
- California generates the least interest and greatest volatility within this competitive set.



Eastern US Market: Hawaii Ratings

- Eastern travelers' opinions about Hawaii remain similar

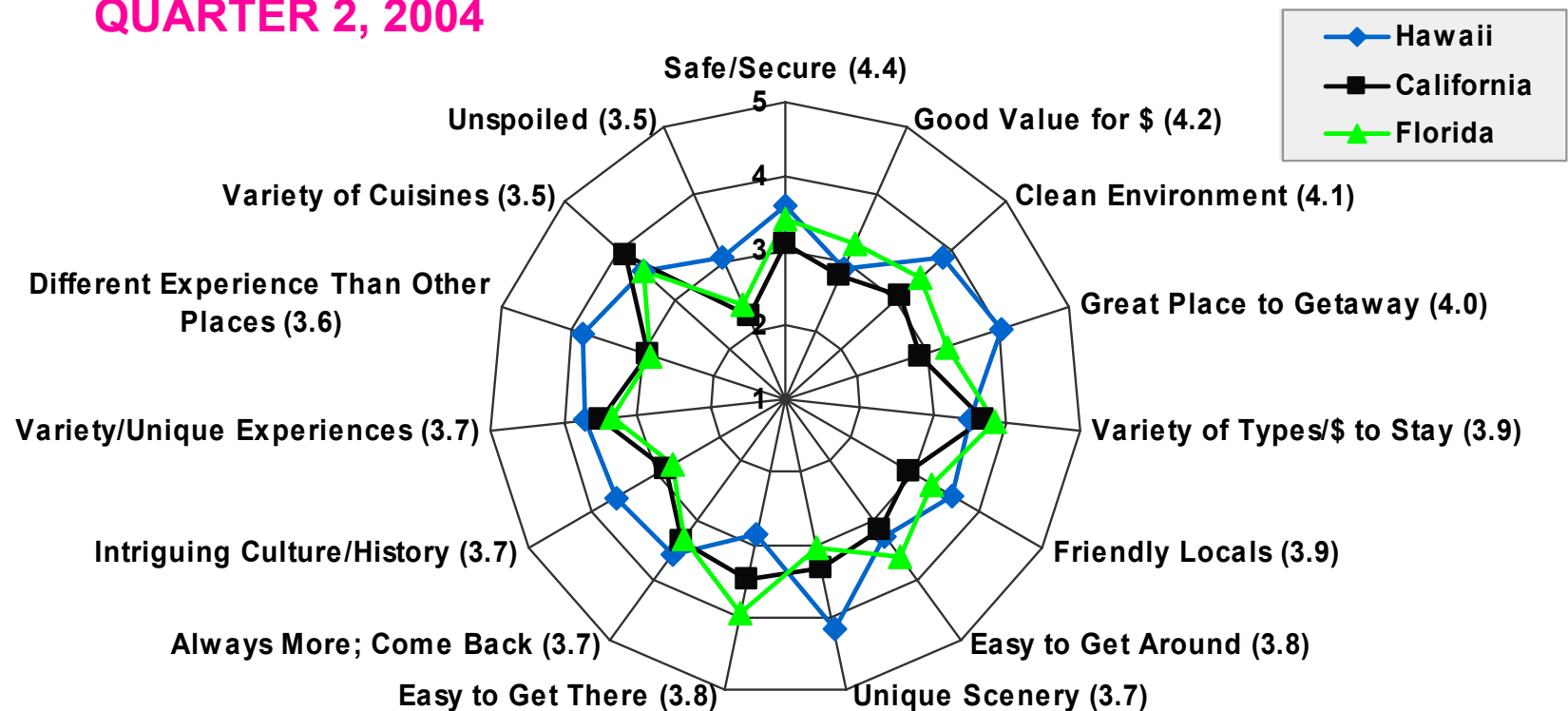
BY QUARTER



Eastern US Market: (Gap) Hawaii/Florida/California

- Compared to Florida or California, travelers rate Hawaii much higher on attributes that are most important to them.
- Exceptions include: *Good Value for the Money* and *Easy to Get Around* (FL wins on both); *Variety of Cuisines* (CA leads); *Variety of Types* and *Prices of Places to Stay* and, of course, *Easy to Get There* (CA & FL higher on both attributes).

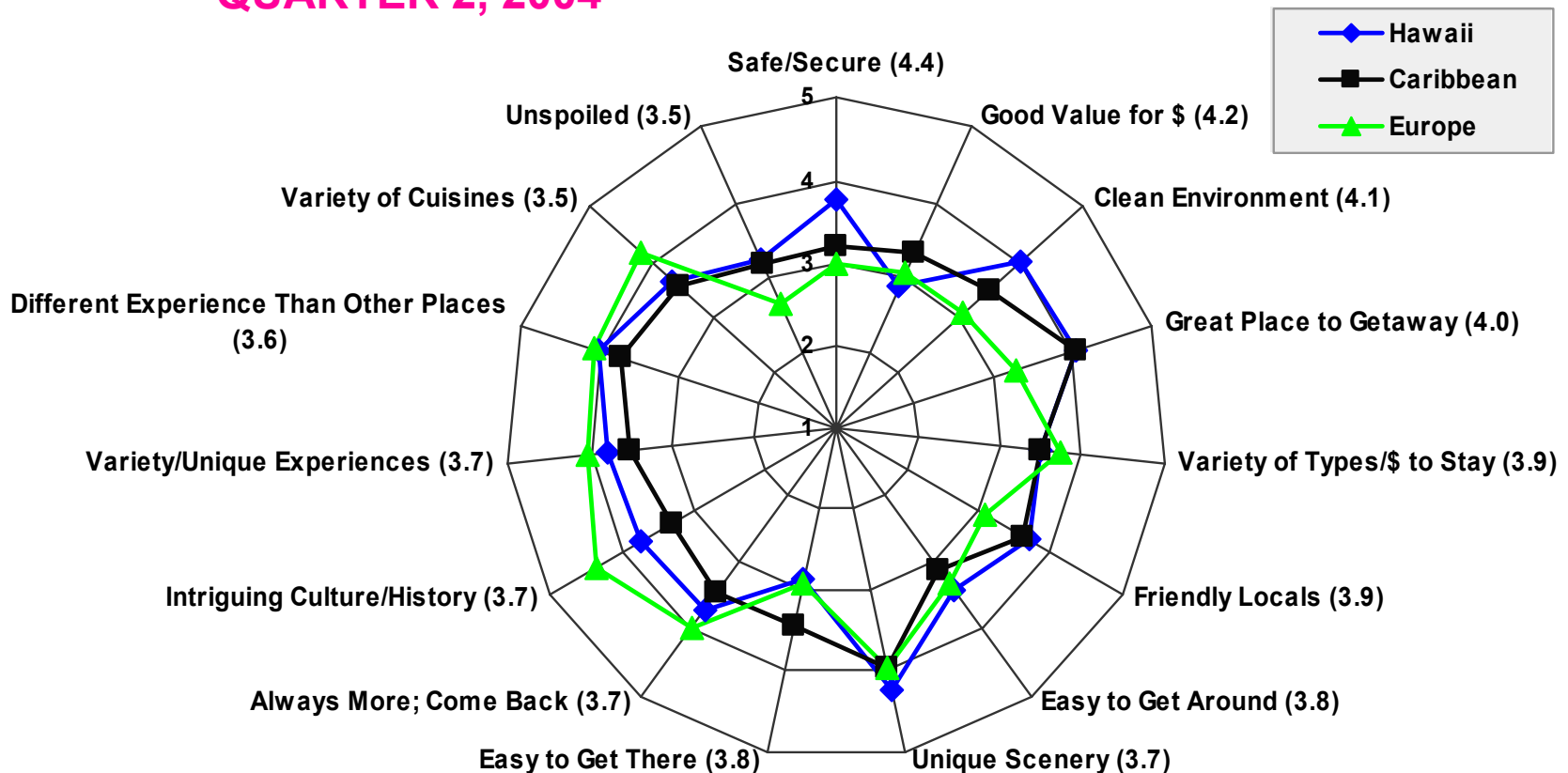
QUARTER 2, 2004



Eastern US Market: Hawaii/Caribbean/Europe

- Hawaii clearly tops them on *Safe/Secure Place*, *Clean Environment*, and edges ahead on *Unique Scenery*.

QUARTER 2, 2004



Western US Market



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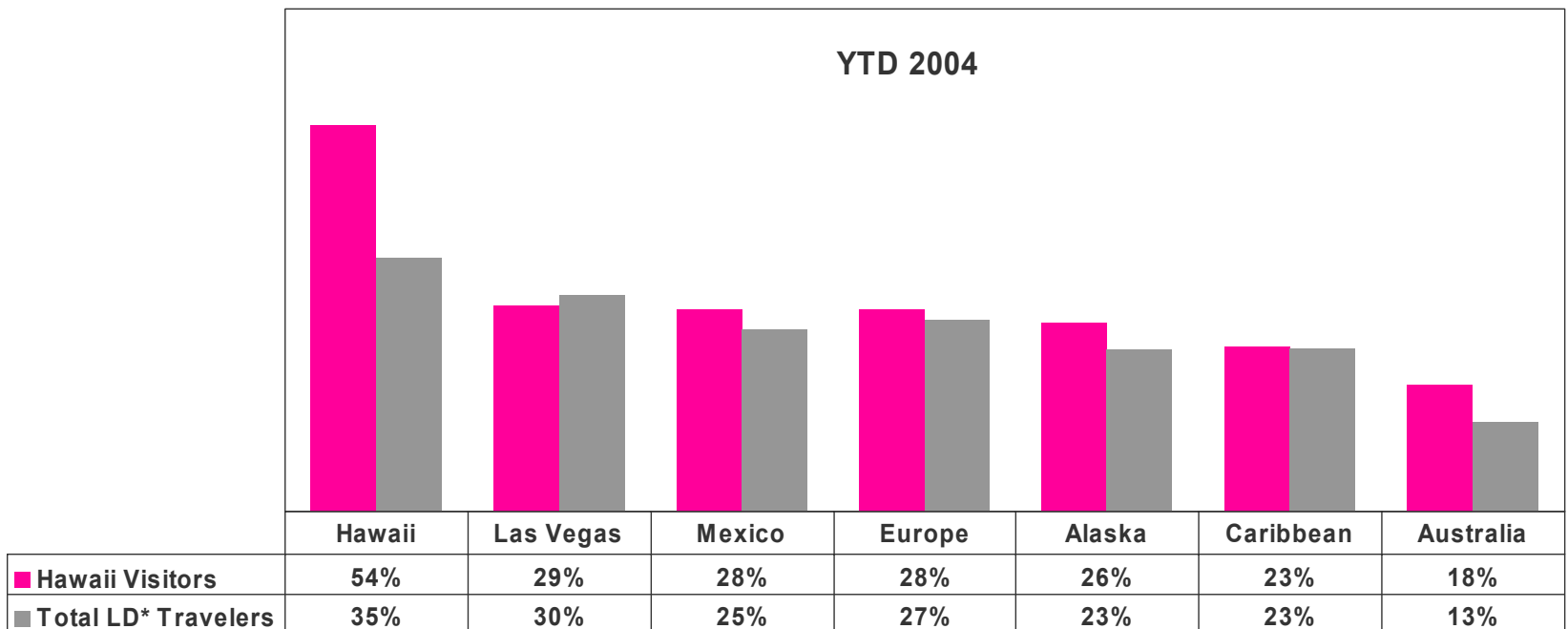
Western US Market: Hawaii Visitation

- Quarter 2, 2004 vs. Quarter 2, 2003 comparisons indicate a slight gain in travelers who have ever visited Hawaii (68% from 65%).
- Meanwhile, the proportions of those visiting Hawaii in the past three years (32% from 33%) and in the past year (14% from 15%) near the year ago level.
- The average number of visits declines from last year in all three timing measures (ever, past 3 years, and past year).

	Visited Hawaii	
	Q2: Apr-Jun 03	Q2: Apr-Jun 04
Total Western Market (Base)	524	443
% Ever Visited Hawaii	65%	68%
Average # of Trips to Hawaii	4.7	3.9
% Visited Hawaii Past 3 Years	33%	32%
Average # of Trips to Hawaii	6.3	5.5
% Visited Past Year	15%	14%
Average # of Trips to Hawaii	6.9	6.8

Western US Market: Considered Destinations

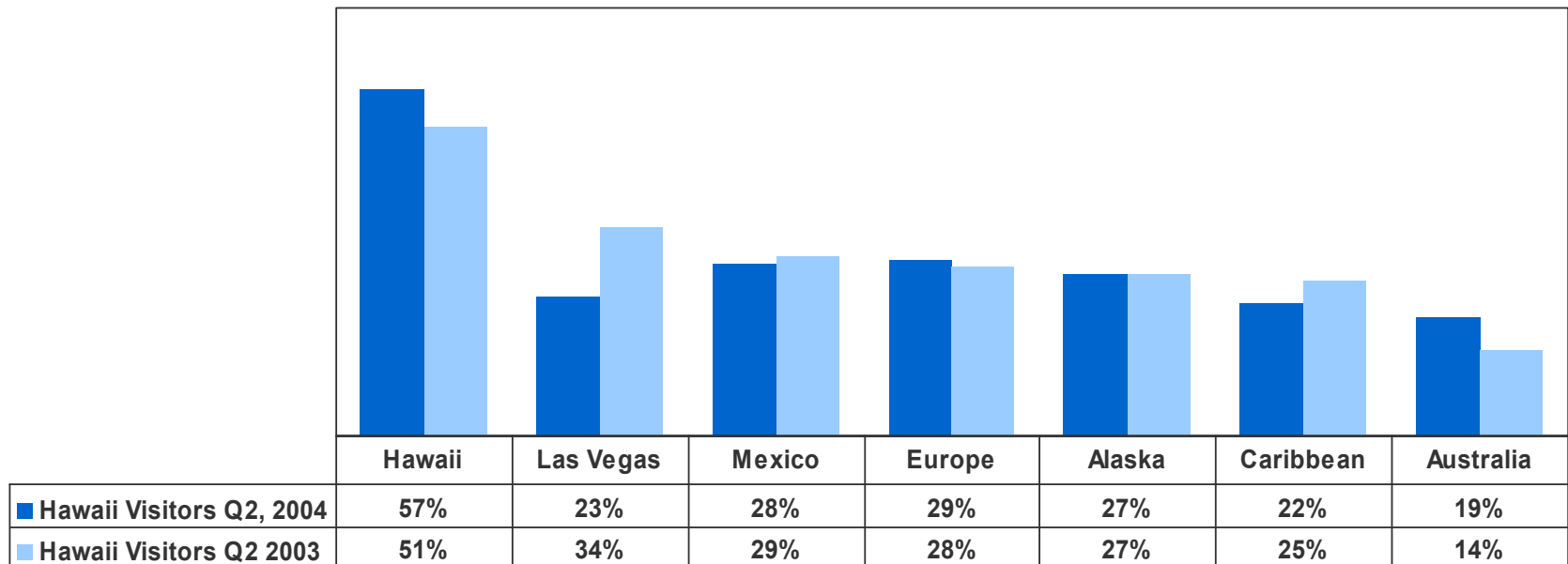
- With only marginal differences, the top destinations considered by Western air travelers are similar to those considered by travelers who have visited Hawaii.



LD* = Long-distance: 500+ mile air travelers

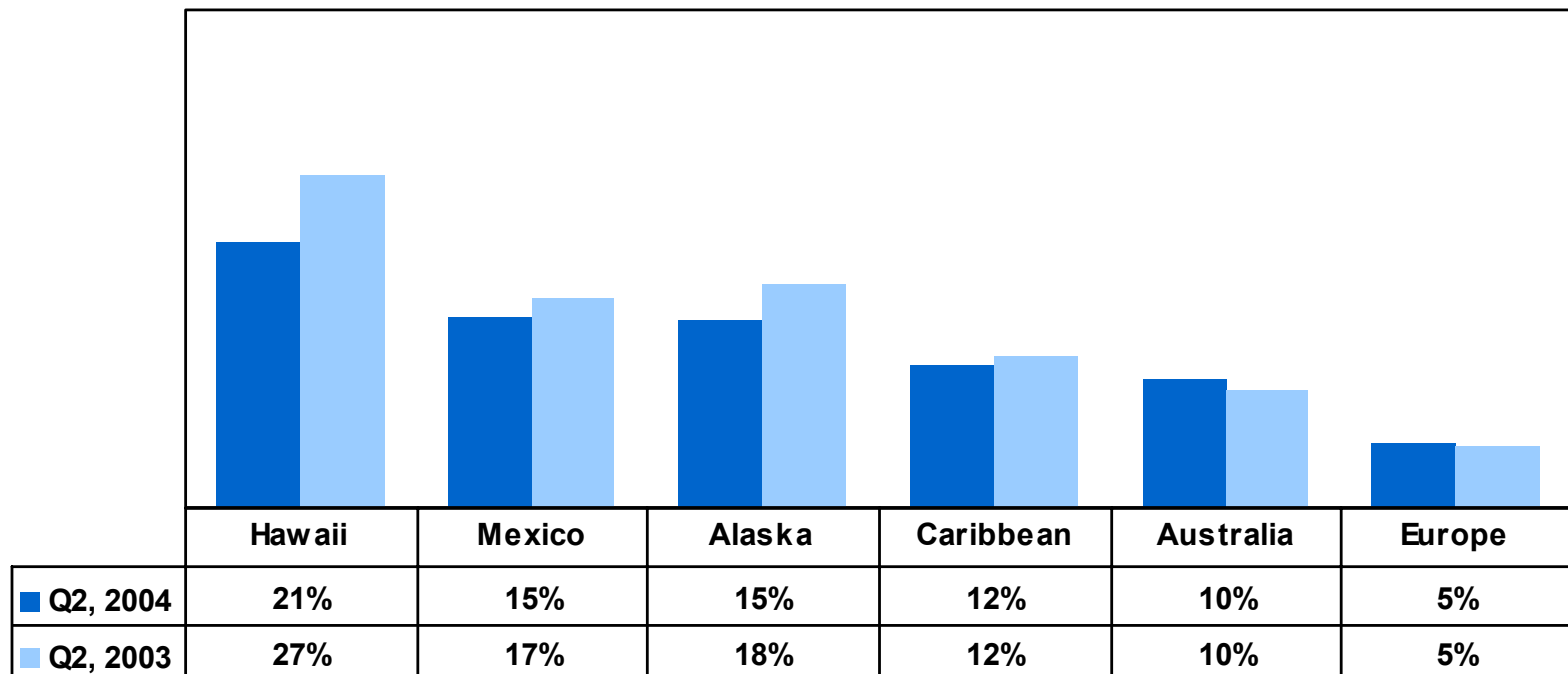
Western US Market: Considered Destinations

- Among past visitors, more than half consider Hawaii a destination to visit again.
- Further, interest in Hawaii is stronger than in the second quarter last year.
- Other year-to-year comparisons indicate that Las Vegas and the Caribbean slip in interest while Australia gains.



Western US Market: Destinations Planned (Plan to Visit for Leisure Within 24 Months)

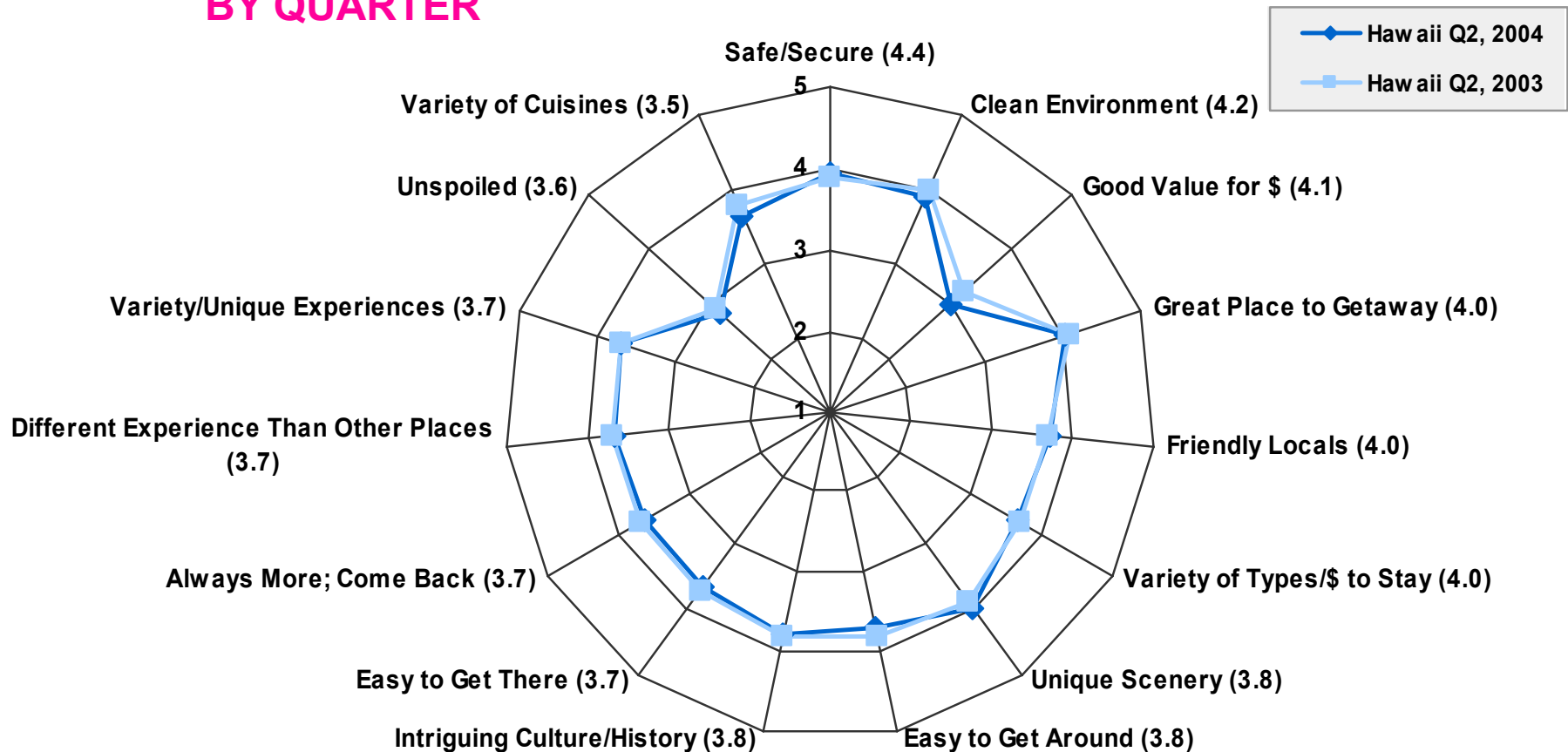
- In the second quarter of 2004 rank most of these destinations below a year ago, with the exceptions of Europe and Australia (about the same).
- Hawaii consistently ranks first; Mexico and Alaska vie for second place, and the Caribbean continues to lead Australia and Europe.



Western US Market: Hawaii Ratings

- Little shifting occurs between quarters on Hawaii's ratings from the Western US Market.

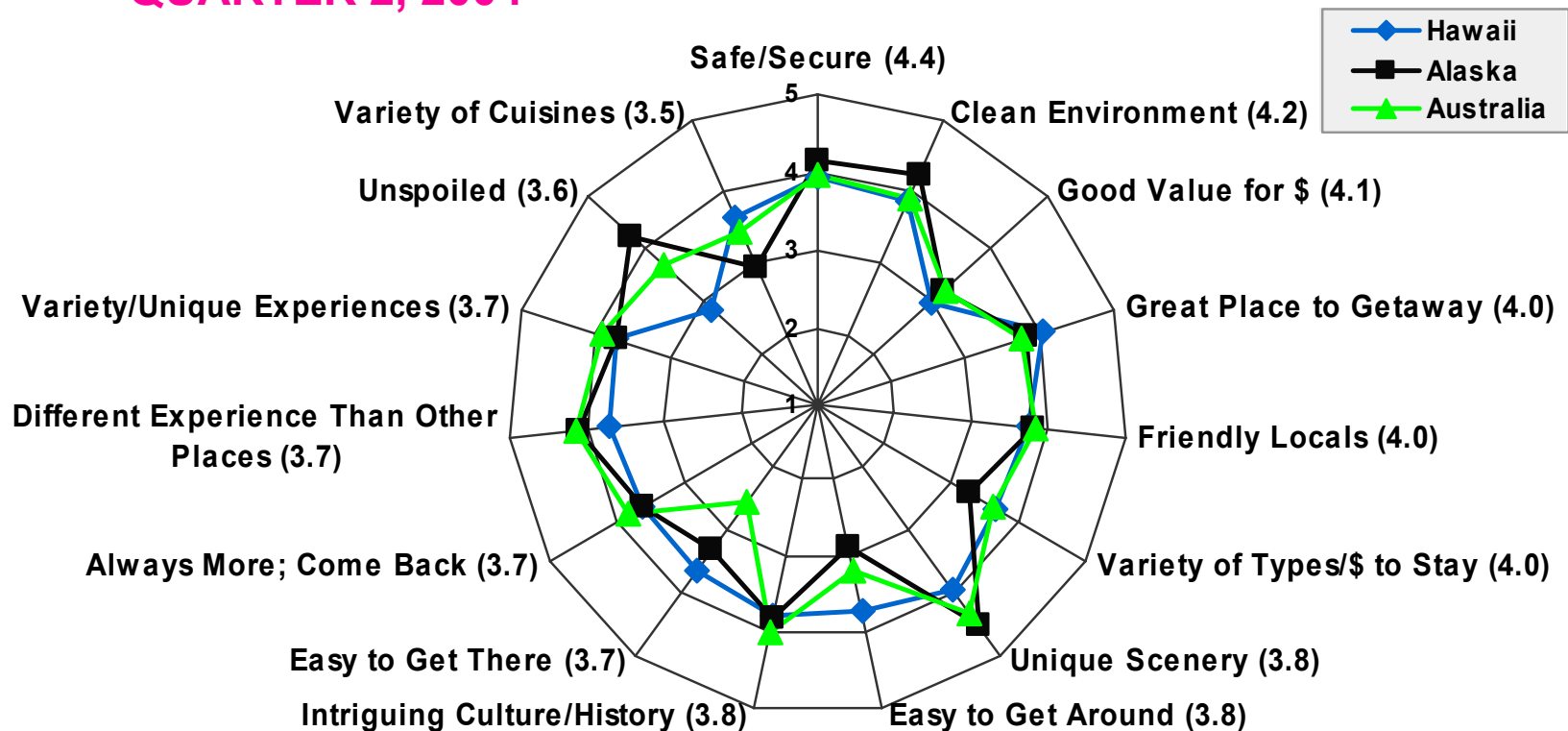
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Western US Market: Hawaii/Alaska/Australia

- Quarter 2, 2004 travelers rate Hawaii higher on: *Easy to Get Around*, *Easy to Get There*, and *Variety of Cuisines*.

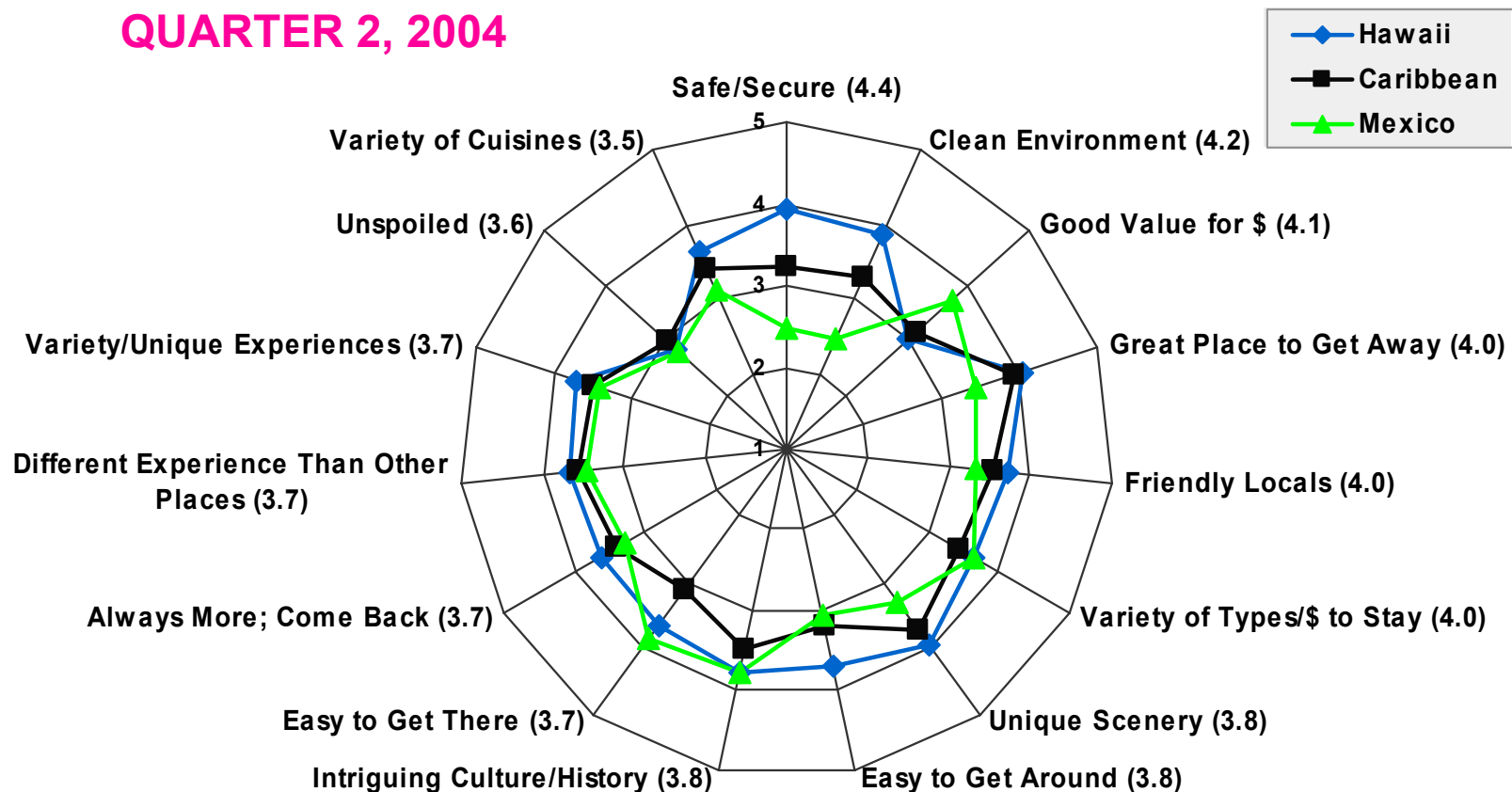
QUARTER 2, 2004



Western US Market: Hawaii/Caribbean/Mexico

- Hawaii and these competitors follow the same pattern as in the past. With few exceptions, Hawaii remains near or above the Caribbean and Mexico.

QUARTER 2, 2004



Japanese Market



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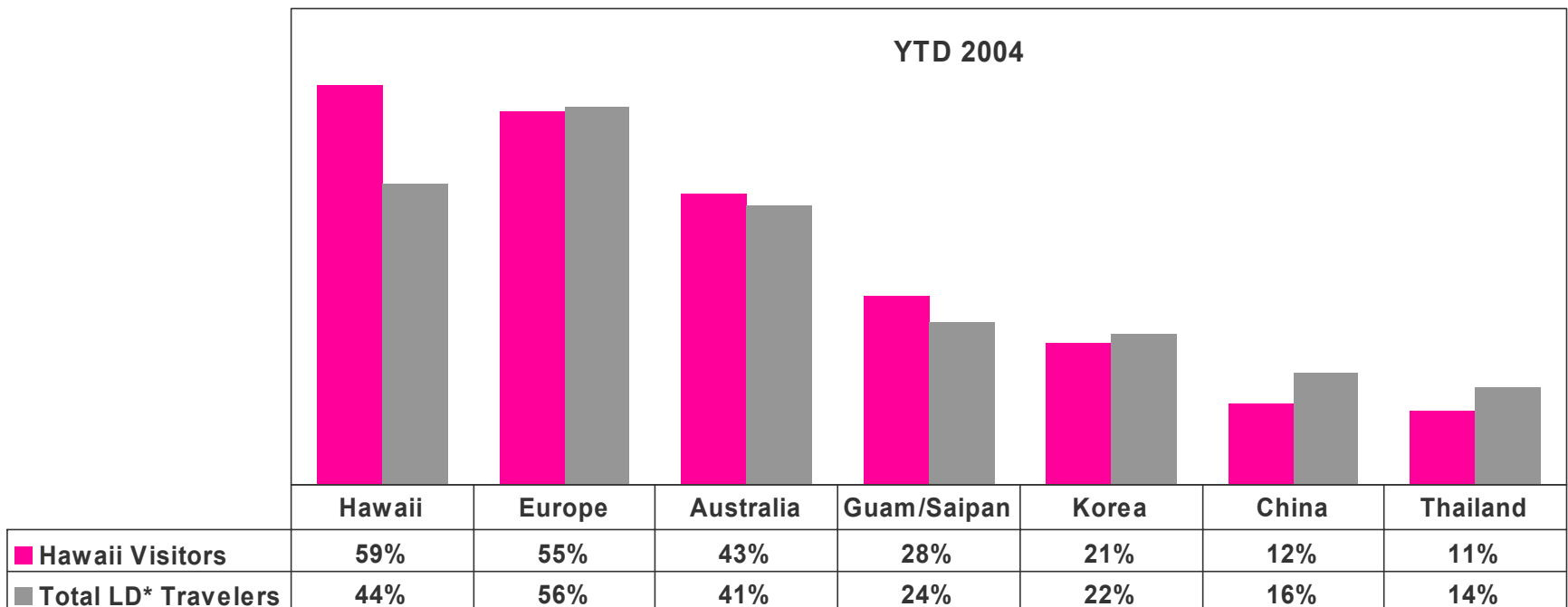
Japanese Market: Hawaii Visitation

- Among Japanese international travelers, almost two-thirds (63%) have visited Hawaii in the past, but drops by more than half (to 29%) when limited to the past three years.
- The average number of visits increases with more recent visitation, following the pattern noted among US travelers.

	Visited Hawaii	
	Q2: Apr-Jun 03	Q2: Apr-Jun 04
Total Japanese Market (Base)	410	409
% Ever Visited Hawaii	63%	63%
Average # of Trips to Hawaii	2.5	2.3
% Visited Hawaii Past 3 Years	30%	29%
Average # of Trips to Hawaii	3.4	3.1
% Visited Past Year	14%	12%
Average # of Trips to Hawaii	4.3	4.0

Japanese Market: Considered Destinations

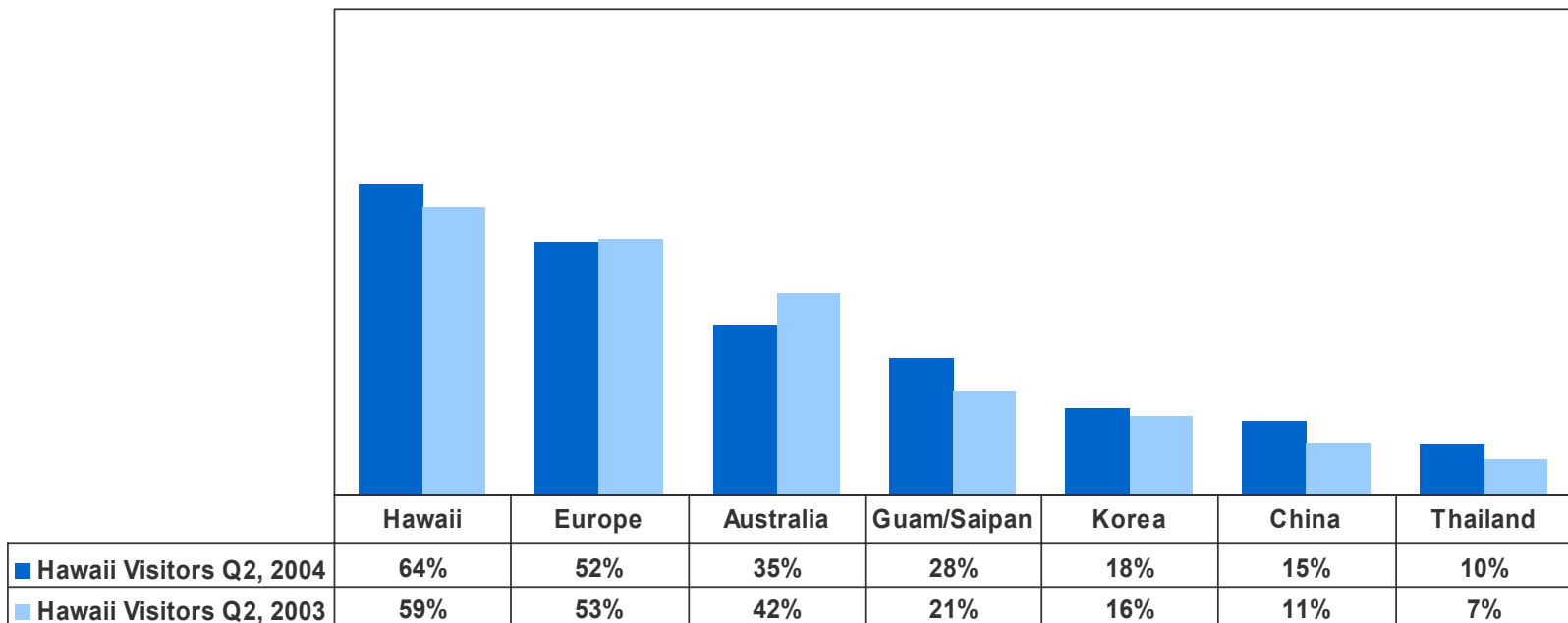
- Except for Hawaii itself, the top destination choices of Japanese international travelers vary little by whether they have visited Hawaii or not.
- Europe is the top ranked destination among total international travelers, Hawaii and Australia clearly vie for second place.



LD* = Long-distance: 500+ mile air travelers

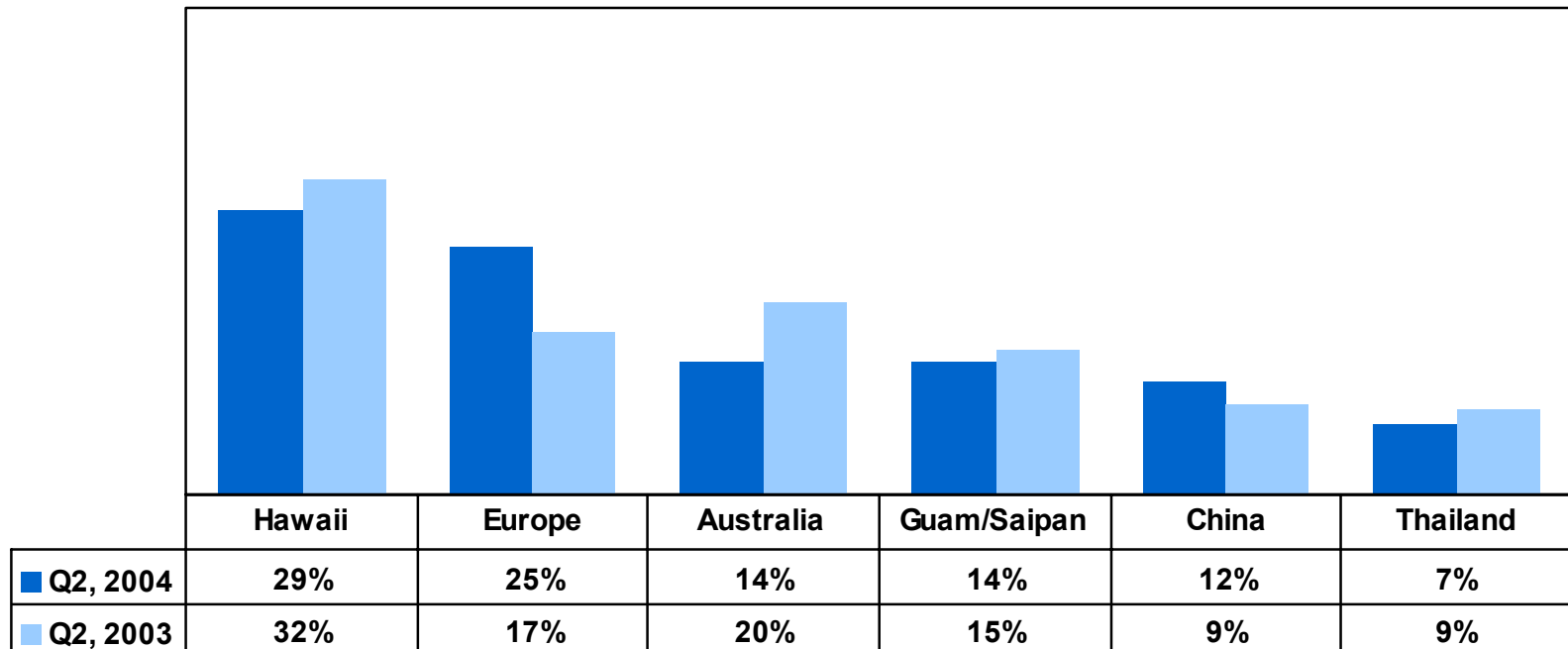
Japanese Market: Considered Destinations

- Hawaii tops the list of considered destinations and increases from a year ago.
- At the same time, their interest in Europe stays at nearly the same level.
- Australia loses ground, but remains a strong competitor.
- Of the Asian destinations, Guam/Saipan increases the most from a year ago.



Japanese Market: Destinations Planned (Plan to Visit for Leisure Within 24 Months)

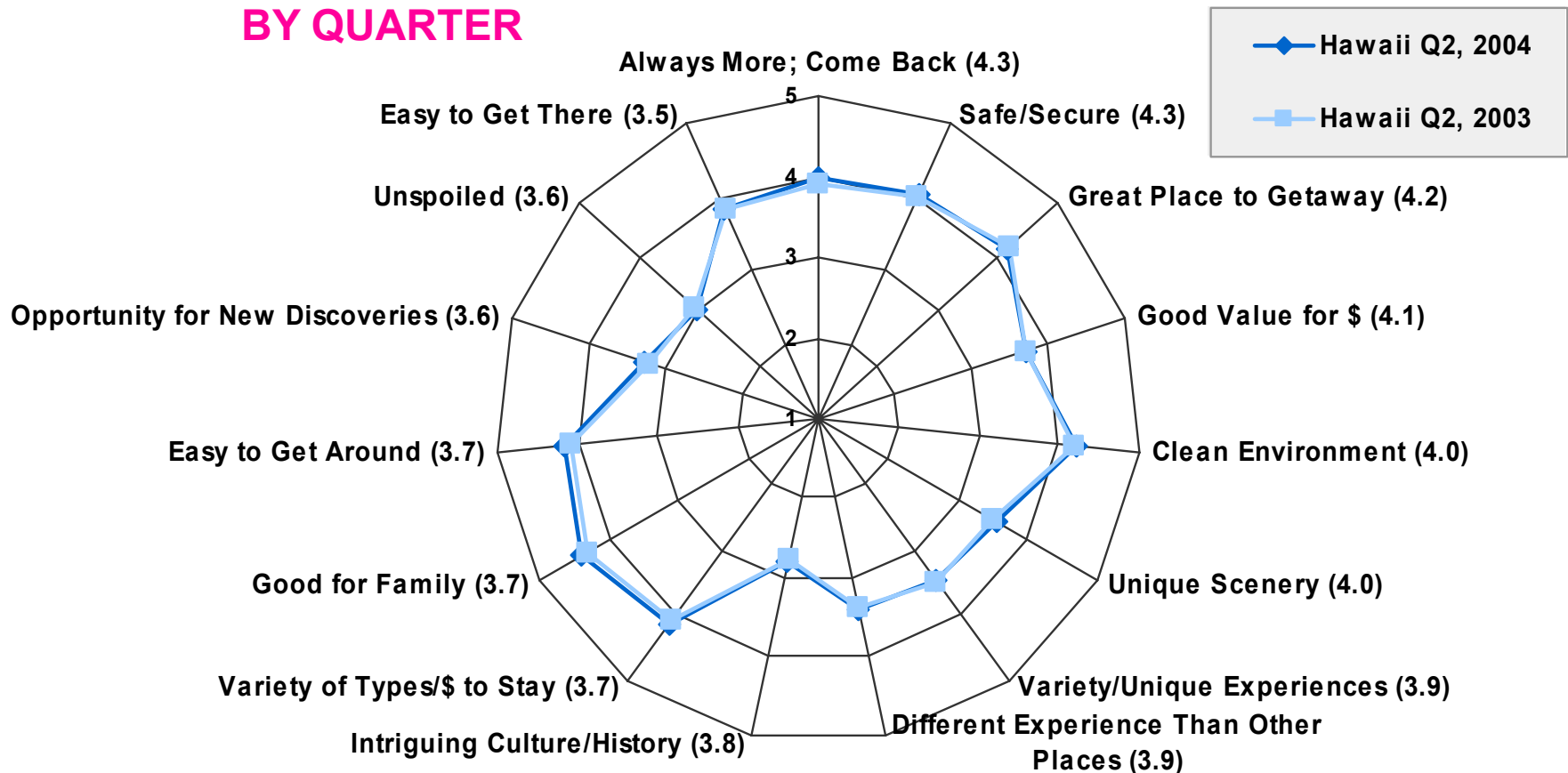
- Hawaii consistently ranks first.
- Interest appears to be shifting:
 - Hawaii slips slightly from a year ago
 - Australia drops by nearly a third
 - Europe makes considerable gains
 - China modestly improves



Japanese Market: Hawaii Ratings

- Comparing Quarter 2, 2004 to Quarter 2, 2003, travelers score Hawaii's image is almost identical.

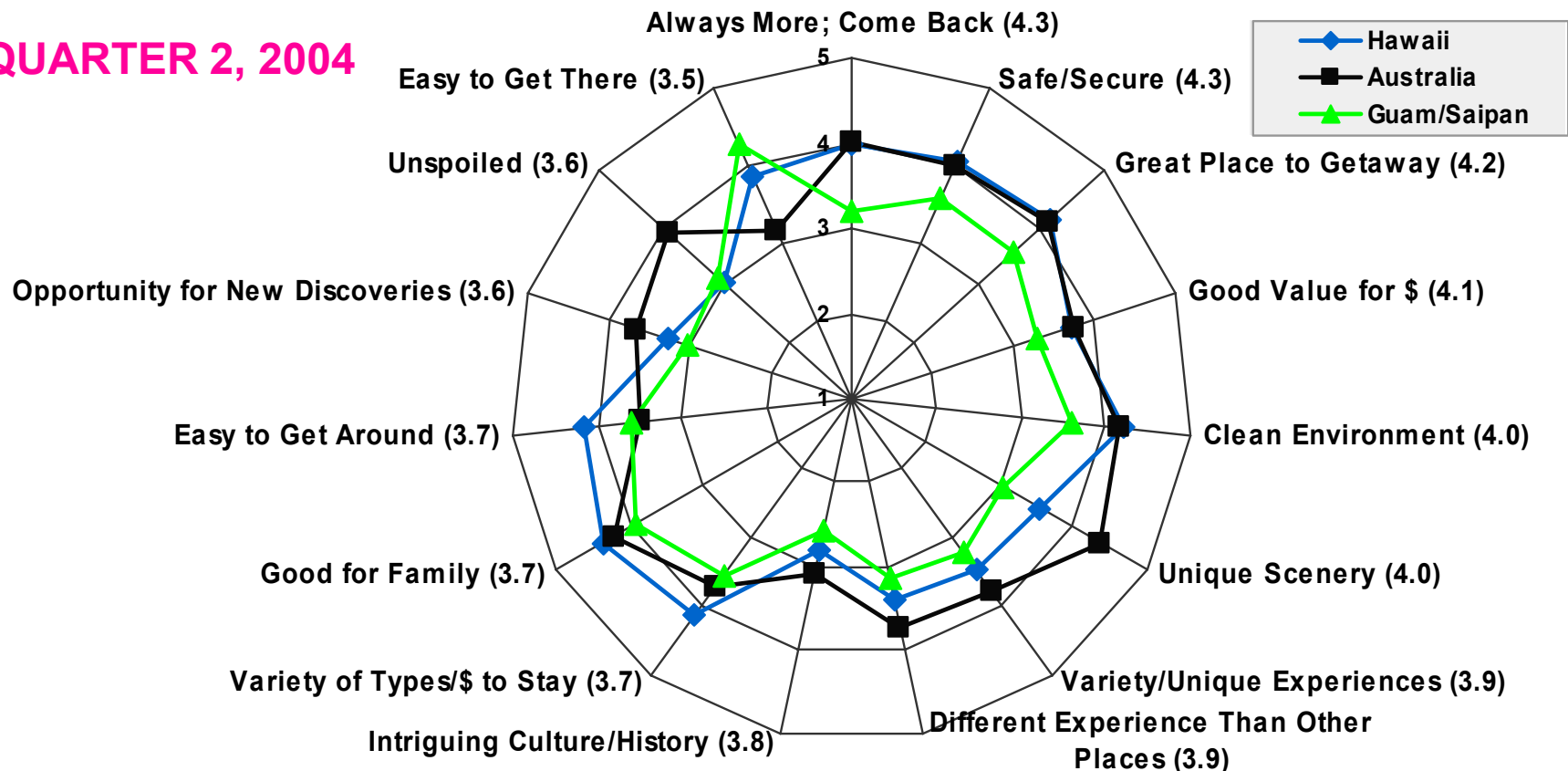
BY QUARTER



Japanese Market: Hawaii/Australia/Guam-Saipan

- Australia typically leads, but Hawaii matches it on several dimensions and receives better scores on: *Variety of Types and Prices of Places to Stay*, *Easy to Get Around*, and *Easy to Get There* (although short of Guam/Saipan). This quarter, Hawaii also pulls ahead on *Good for Family*.
- Guam/Saipan usually falls short of Hawaii and Australia, except that it leads on *Easy to Get There*.

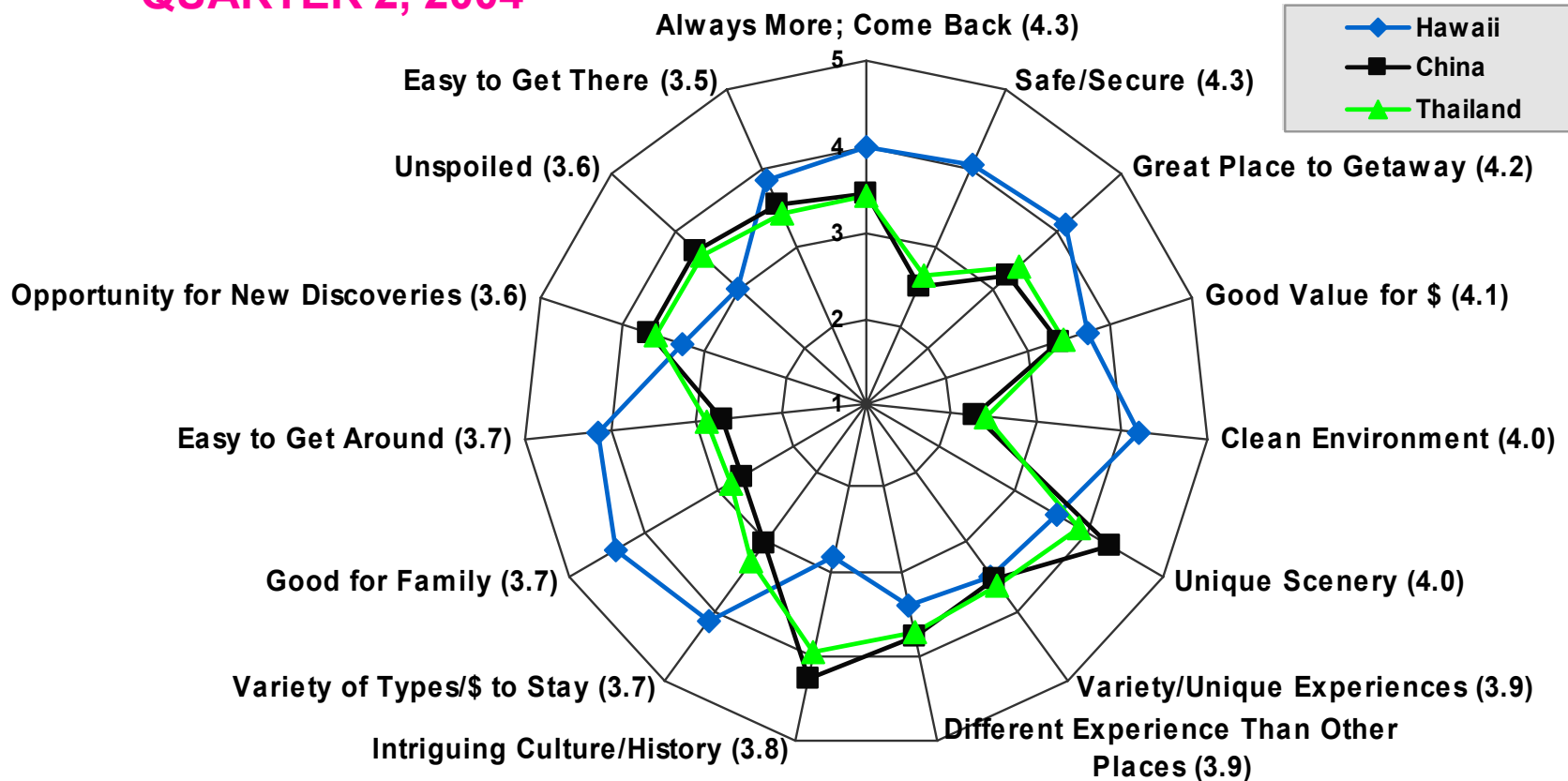
QUARTER 2, 2004



Japanese Market: Hawaii/China/Thailand

- Hawaii still winning on most attributes, including the five most important ones.

QUARTER 2, 2004



Implications

Eastern Market

■ Strengths:

- Hawaii gains (13% from 11%) as a destination *planned to visit in the next two years*
- Corresponding results as a destination *extremely/very likely to visit in the next two years* (14% from 11%)
- Hawaii's satisfaction index score rises slightly from a year ago (55 from 53)

■ Opportunities:

- Hawaii declines as a considered destination for the *next vacation* (22% from 33%)
- Although still very strong numbers, visitors' satisfaction with the last visit drops (85% from 91% *extremely/very pleased*).

Implications (cont.)

Western Market

■ Strengths:

- Hawaii gains as a destination considered for the *next vacation* (57% from 51%)
- As a destination *extremely/very likely to visit in the next two years* (27% from 25%)
- The satisfaction index score also rises (57 from 53).

■ Opportunities:

- Hawaii declines as a destination planned in the next two years (21% from 27%).



Implications (cont.)

Japanese Market

■ Strengths:

- Hawaii gains as a destination considered for the *next vacation* (64% from 59%)
- Little change appears for its satisfaction index score (74 from 73)

■ Opportunities:

- Hawaii declines slightly as a destination *planned in the next two years* (29% from 32%)



Implications (cont.)

Image ratings for each of the market are generally stable to positive, compared to a year-ago:

■ Eastern Market:

- Hawaii ratings either remain the same or improve slightly
- Dimensions that improve: *Safe/Secure, Clean Environment, Unique Scenery, and Different Experience Than Other Places.*

■ Western Market:

- Opinions remain very much the same

■ Japanese Market:

- Travelers notice almost no change in Hawaii's image



Implications (cont.)

- Long Distance US (both markets) and International Japanese travelers point to two areas where Hawaii consistently falls below most competitors: *Good Value for the Money* and *Unspoiled*; both areas may potentially be related.
- Promotional messages could:
 - Strive to improve awareness of the quality of the Hawaii experience to offset the perception of expensiveness
 - Convince visitors that Hawaii remains a beautiful, scenic, uncrowded destination despite Hawaii's continued development
- Continue to promote Hawaii's adventure and nature-based activities can help improve the perception of *Good Value* and *Unspoiled*.

Implications (cont.)

- Themes that emphasize new and different aspects of Hawaii can increase familiarity and encourage those who have not visited recently to come to experience something new.
- Enhance themes regarding Hawaii's unique historical and cultural qualities. All of these travelers find these elements important. The Japanese do not perceive Hawaii as very strong on them.





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